Feasibility Study Guidelines for Information Technology Investments

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Introduction

The goals of the Feasibility Study Guidelines are to:

- Streamline the creation of the feasibility study in order to add value to the decision-making process based on the results of agency planning and design efforts.
- Recognize the role of the feasibility study in supporting resource requests for proposed information technology (IT) investments.
- Introduce the concept of time value of money by incorporating Net Present Value, Internal Rate of Return, and Breakeven Analysis financial measures in the suggested format of the Cost/Benefit Analysis.
- Provide formats for clear and concise cost and benefit rationale to assist in the investment evaluation process.

Statutory Authority

The provisions of RCW 43.105.041 detail the powers and duties of the ISB, including the authority to develop statewide or interagency information services and technical policies, standards and procedures.

Scope

These guidelines apply to all executive and judicial branch agencies and educational institutions, as provided by law, that operate, manage, or use IT services or equipment to support critical state business functions.

Exemptions

None.

Guidelines

Agency management must make a crucial decision during the early stages of an information technology (IT) investment: whether to seek resources to support full-scale development and implementation, or to suspend activities due to a lack of clear benefits (tangible, intangible, or both), and/or unacceptable risks. The feasibility study is a structured, modular process to gather the information needed to support stakeholders in making this crucial decision and to support decision packages submitted to the Office of Financial Management (OFM).

An agency will prepare the feasibility study when sufficient functional and technical designs have been completed to articulate the major objectives of an IT investment and define the work necessary to achieve those objectives with a high degree of confidence. This means an agency has completed a Project Definition, a Requirements Analysis, and a General Design. As a result of this work, the agency has far more information in hand about the expected costs, benefits, and risks of a proposed project than it did when preparing the Project Definition. It is critical this new information be applied to a "go/no go" decision before committing significant funds to an investment.

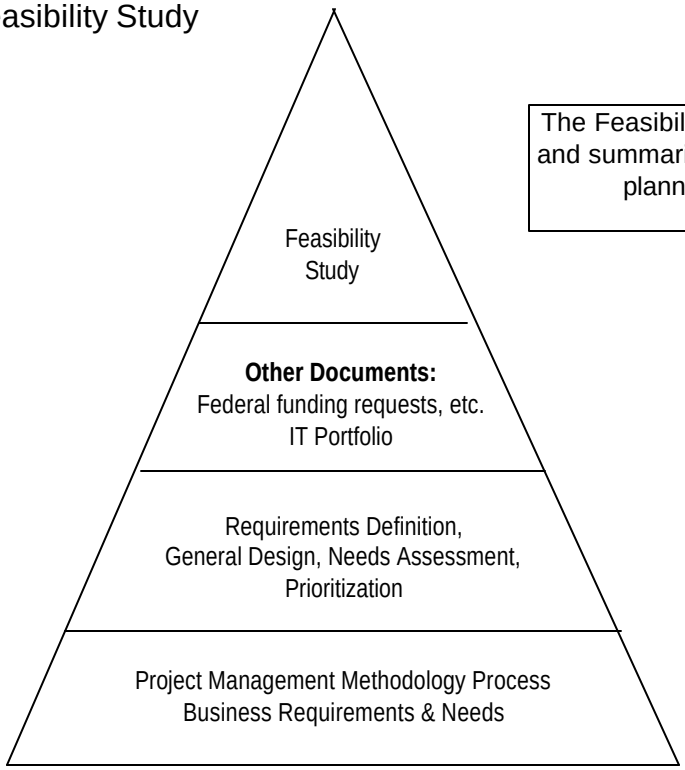
Components of the Feasibility Study

The feasibility study builds on analyses and information already collected by the agency during the initial stages of a project (see Exhibit 1). As noted earlier, the agency should have already completed a Project Definition, a Requirements Analysis, and a General Design. The feasibility study summarizes the findings of these project phases in a way that supports sound decision making. In particular, the feasibility study replicates the structure of the Project Definition and adds a minimal number of new sections. The intention is that where a Project Definition has already been prepared, it will be updated and expanded where necessary. Much of the supporting detail will be included by reference to other attached documents.

For projects involving non-state, funding sources (e.g. federal grants, federal financial participation, other grant funds), it is acceptable to use the documents required by the various funding sources as the basis for the information needed in the feasibility study. The agency should provide the Management and Oversight of Strategic Technologies (MOST) of the Department of Information Services (DIS) the other documents, as well as a crosswalk between the feasibility study content requirements and the funding request, to ensure the information requirements of the feasibility study are met. For example: a federal Implementation Advance Planning Document (IAPD) may be used to provide information required in the feasibility study.

In order to focus on the most critical information, MOST recommends one to three pages for each of the following components. The individual items in each component are intended to provide guidance as to the type of information required. Agencies need not address items that are not applicable to the proposed investment.

Exhibit 1
Building a Feasibility Study



1. Executive Summary

Provide a brief summary of the business objectives, approach, expected costs, benefits, and risks of the proposed investment.

2. Background and Needs Assessment:

Discuss the reasons for the proposal, such as:

- Business environment
- Business need(s)
- Business opportunities
- Business service goals
- Statutory requirements
- Other

3. Objectives (as applicable)

Discuss the primary objectives of the investment, such as:

- Problems to be solved / Opportunities to be gained
- Service delivery enhancements
- Response to statutory requirements
- Other

4. Impacts (as applicable)

Identify the entities which will be impacted by the proposed investment, such as:

- Inter-agency
- Intra-agency
- Program(s)
- Subprogram(s)
- Customers of agency activities (e.g., clients, constituencies, taxpayers, etc.)
- Other

5. Organizational Effects (as applicable)

Discuss how implementation of the investment may affect the agency's organization, such as:

- Impact on work processes
- Training needs
- Job content
- Impact on organizational structure
- Other

6. Proposed Solution

Describe the proposed solution that will meet the objectives outlined above. Present the solution in terms of:

- Specific work products
- Technical tools used to support the solution
- Major functions to be provided
- New organizational structures and processes necessary to support implementation.

7. Major Alternatives Considered

Present the major alternatives considered and compare these with the proposed solution. Note that the current state can be considered one alternative. Describe why the alternatives not chosen were rejected.

8. Conformity with Agency IT Portfolio

Discuss how the proposed project supports the agency IT Portfolio.

- Strategic focus (business and IT goals)
- Effect on technology infrastructure
- Other

9. Project Management and Organization (including external resources)

Describe the project management approach.

- Roles and responsibilities
- Decision-making process
- Management qualifications
- Project team organization
- Quality assurance strategies

10. Estimated Timeframe and Work Plan

Provide an estimated timeframe, by project phase, for the proposed investment through implementation. Identify major tasks and resources required for each project phase, including external and internal staff resources. Identify key milestones and decision points.

11. Cost Benefit Analysis (CBA)

Forms 1-5 found in the appendix and available through the Internet are a suggested approach to the cost and benefit analysis. They provide a structured, calculated method for delivering data in a usable format. In addition to Total Outflow, Total Inflow, Net Cash Flow, and Net Present Value, the cost and benefit analysis must be detailed for each viable option, for each fiscal year. The cost benefit analysis needs to include internal as well as external resources, as appropriate.

- Provide the completed CBA forms in this section.

Incremental Costs:

Incremental costs are the difference between costs of current methods of operation and cost of implementing and operating new methods. Summarize the investment's incremental costs and provide the detail using the CBA forms. Provide both development and operations cost estimates as appropriate. Costs should be presented for at least five years of operation after implementation or until breakeven and/or pay back is achieved.

The estimates of costs are expected to be stated with a very high degree of confidence. As a result, costs should be presented as single point, not-to-exceed limits. Future dollars should reflect the best estimate of what the cost levels will actually be in the future periods. Net Present Value (effect of the projected costs and benefits stated in today's dollars), Internal Rate of Return, and breakeven period calculations will be derived from the projected future expenditures.

Note: Net Present Value is incorporated for financial decision-making purposes only and should not be used to define funding levels in future years of a project.

Provide rationale for the cost estimates and reference documents containing the detailed estimates and work breakdown structures. As appropriate, reference the costs incurred by similar investments in other states, comparative projects in Washington, etc.

Benefits

Summarize the investment's expected quantitative tangible and intangible benefits and provide the detail using the CBA forms. Future estimates should reflect the benefit levels actually expected in the future periods. Net Present Value (effect of the projected costs and benefits stated in today's dollars), Internal Rate of Return, and break-even period calculations will be derived from these amounts. Provide justification rationale for the benefit estimates. Describe how a baseline and measurements will be established to confirm each benefit. Also provide a narrative of the intangible benefits associated with the project.

12. Risk Management

Assess the risk of the investment using the Portfolio-based Severity and Risk matrix located in the IT Portfolio Management Standards - Appendix A. Risk criteria rank investments on four dimensions - organizational impact, development effort, technology, and organizational capability. Similarly, severity criteria rank investments on the four dimensions of impact on citizens, visibility to the public and Legislature, impact on state operations, and the consequences of doing nothing.

- Present the expected areas of medium or high risk to this investment and describe how these risks will be managed.

Indicate whether the project will use external quality assurance and/or internal agency quality assurance.

Related Policies and Standards

IT Planning Policy

IT Investment Policy

IT Investment Standards

Maintenance

Technological advances and changes in the business requirements of agencies will necessitate periodic revisions to policies, standards, and guidelines. The Department of Information Services is responsible for routine maintenance of these to keep them current. Major policy changes will require the approval of the ISB.

Appendix: Cost/Benefit Analysis (CBA) Forms

The Electronic Version:
A Microsoft® Excel spreadsheet, CBAFORMS.XLS is available through the Internet at:
http://www.wa.gov/dis/portfolio/CBAmodel_0003011.xls

The five electronic forms are stored as worksheets in CBAFORMS.XLS. The worksheet function is not available in prior versions of Microsoft® Excel and other spreadsheets, and may be unreadable. Call MOSTD if assistance is needed.

In Microsoft® Excel, navigate between sheets by clicking on the Forms tabs in the lower left of the spreadsheet display. You may need to customize printed output for your computer configuration. Data input cells in the electronic spreadsheet are displayed in blue.

(It is strongly recommended that agencies use the Excel spreadsheet provided by MOSTD. However, if necessary, the forms can be completed manually by carrying forward the total amounts as instructed below. The last step requires calculation of the net present value and internal rate of return for the net cash flow of the proposed project option under analysis. These usually require an automated tool.)

Forms:
In the Microsoft® Excel version, Form 1 requires entering the fiscal years, the agency name, the project/option title, and the Cost of Capital (see (7) below for accessing the Cost of Capital). Form 2, Form 4, and Form 5 require input. Form 3 requires no data input. The form labeled Instructions provides directions on completing the forms.

The forms used to create the CBA are:

- Form 1 Summary, Cost Benefit and Cash Flow Analysis
- Form 2 Project Detail Cost Flow Analysis
- Form 3 Summary, Operations Incremental Cost of Project
- Form 4 Current versus Proposed Method Operations Costs
- Form 5 Benefits Cash Flow Analysis

The Analysis:
You will need to estimate the costs and benefits of each viable alternative considered. These are the options under analysis, and ideally each should undergo a full CBA. Completing Form 1 through Form 5 for each alternative will provide the necessary information about costs and benefits necessary to select the best option.

Note: Net Present Value is incorporated for financial decision-making purposes only and should not be used to define funding levels in future years of a project.

The option to “do nothing” has costs and benefits too. The costs of doing nothing are the costs of operations and maintenance over time, as currently performed or as

anticipated, and are used in this analysis in Form 3 and Form 4, Operations Incremental Costs of Project, and Current versus Proposed Method Operations Cost. Completing Form 3 and Form 4 can provide the costs of the option of doing-nothing.

This distinction is important in completing Form 3 and Form 4 in the spreadsheet. Attention needs to be paid to the method of implementation, particularly to the time of operational cutover, for example, whether in parallel or sequential. The current operational costs used in Form 3 are the costs of continuing to do business as now performed, and the project operational costs are the costs of operation as if the project were implemented. The net difference between these two operational methods is the operational net cost/benefit, not the costs of operating both systems in parallel, or concurrently.

The cost code structure used throughout the analysis is the State of Washington Office of Financial Management's (OFM) code. These are used for consistency with the state's budgeting requirements, and their use provides comprehensive budget analysis. Use of these codes is desirable but not mandatory. For more information on the OFM budget and cost codes structures, contact OFM . Using the state fiscal year calendar (July through June) will provide consistency with state fiscal and biennial budgeting cycles.

Instructions

1. Open the spreadsheet and go to Form 1. Enter your agency name, project title and option, and fiscal years relevant to this option. These fields show in blue. Your entries will carry forward to the remaining forms.
2. Go to Form 2. Enter each year's estimated development costs in Form 2, *Project Detail Cost Flow Analysis*. Development costs typically occur in the first years of the project. Using the state fiscal year calendar (July through June) will provide consistency with state fiscal and biennial budgeting cycles.
3. Go to Form 4, *Current versus Proposed Method Operations Cost*. Enter each fiscal year's costs of operations of the current method of doing business and the proposed method of doing business. Complete columns (a) and (b) for each fiscal year. Column (c) is automatically calculated and is the difference between the current operations cost for that fiscal year, and proposed operations cost, if the project were implemented, for that fiscal year. The proposed operations costs are defined as if the project were implemented, not as if the current and proposed methods were parallel operations.

   The Operations Incremental Costs of the Project may be negative or positive. A negative result in column (c) means the project is actually less expensive to operate than the current operational method. A more likely view of the project may have initially high but diminishing project costs as production stabilizes. In the Microsoft® Excel version, these incremental costs are calculated for each fiscal year by cost code and by total for that year. Each fiscal year's total incremental costs are carried forward to Form 3, *Operations Incremental Costs of Project.*

(Instructions for manual analysis only) If you are creating these forms manually, enter the difference between column (a) and (b) in column (c), and calculate the total of column (c) for each fiscal year. Carry forward each fiscal year's total for column (c) to Form 3.

4. Enter a description and the amounts of other benefits of the proposed project in Form 5, Benefits Cash Flow Analysis. These may include cost avoidance, cost reduction, increased revenue, or tangible public benefits. The Microsoft® Excel version will calculate the sum of revenue, reimbursements, cost avoidance, and so forth.
5. *(Instructions for manual analysis only)* Calculate the totals of all columns. Carry the row and column totals from column (c) of Form 4 to Form 3 under "Operations Phase." Carry the column totals from Form 3 "Total Outflows" to the corresponding line of Form 1. Carry the column totals from Form 5 "Total Inflows" to the corresponding line in Form 1.
6. *(Instructions for manual analysis only)* Deduct the Total Outflow on Form 1 from Total Inflows for each fiscal year. Enter the results on the line labeled "Net Cash Flow".
7. On Form 1, enter the Cost of Capital (equivalent to the interest rate paid by state government to finance borrowing), under the heading "Cost of Capital". Contact the State Treasurer's Office, Division of Debt Management, for the current cost of capital. The rate of 6.25% is supplied in the Excel spreadsheet but is modifiable.
8. *(Instructions for manual analysis only)* Use the line labeled "Net Cash Flow" to calculate the Incremental NPV, the Net Present Value (NPV $) and the Internal Rate of Return (IRR%). Enter the results of these calculations on Form 1.

Repeat steps 1-8 above for <u>each</u> viable alternative considered to the current way of doing business.

Cost/Benefit Analysis Forms

Form 1/ Summary, Cost Benefit and Cash Flow Analysis Agency Agency Name Project Title & Option

	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	GRAND TOTAL
TOTAL OUTFLOWS	0	0	0	0	0	0	0	0	0	0	0
TOTAL INFLOWS	0	0	0	0	0	0	0	0	0	0	0
NET CASH FLOW	0	0	0	0	0	0	0	0	0	0	
INCREMENTAL NPV	NA	0	0	0	0	0	0	0	0	0	
Cumulative Costs	NA	0	0	0	0	0	0	0	0	0	
Cumulative Benefits	NA	0	0	0	0	0	0	0	0	0	

Cost of Capital	Breakeven Period - yrs.*		NPV $	IRR %
	Non-Discounted	Discounted		
6.25%			0	#NUM!

* - "Non-Discounted" represents breakeven period for cumulative costs and benefits (no consideration of time value of money).
* - "Discounted" considers effect of time value of money through incremental Net Present Value.

Form 2/ Project Detail Cost Flow Analysis Agency Agency Name Project Title & Option

FISCAL COSTS, PROJECT DEVELOPMENT	OFM Object Codes	DEVELOPMENT PHASES FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	GRAND TOTAL
Salaries and Wages	(A)	0	0	0	0	0	0					0
Employee Benefits	(B)	0	0	0	0	0	0					0
Personal Service Contracts	(CA)	0	0	0	0	0	0					0
Communications	(EB)	0	0	0	0	0	0					0
Hardware Rent/Lease	(ED)	0	0	0	0	0	0					0
Hardware Maintenance	(EE)	0	0	0	0	0	0					0
Software Rent/Lease	(ED)	0	0	0	0	0	0					0
Software Maintenance & Upgrade	(EE)	0	0	0	0	0	0					0
DP Goods/Services	(EL)	0	0	0	0	0	0					0
Goods/Services Not Listed	(E)	0	0	0	0	0	0					0
Travel	(G)	0	0	0	0	0	0					0
Hardware Purchase Capitalized	(JC)	0	0	0	0	0	0					0
Software Purchase Capitalized	(JC)	0	0	0	0	0	0					0
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0					0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0					0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0					0
Software Lease/Purchase	(P)	0	0	0	0	0	0					0
Other (specify)	( )	0	0	0	0	0	0					0
TOTAL DEVELOPMENT		0	0	0	0	0	0	0	0	0	0	0

Form 3/ Summary, Operations Incremental Cost of Project Agency Agency Name Project Title & Option

		FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	GRAND TOTAL
OPERATIONS INCREMENTAL COSTS OF PROJECT (Per Form 4 - Column C)												
Salaries and Wages	(A)	0	0	0	0	0	0	0	0	0	0	0
Employee Benefits	(B)	0	0	0	0	0	0	0	0	0	0	0
Personal Service Contracts	(CA)	0	0	0	0	0	0	0	0	0	0	0
Communications	(EB)	0	0	0	0	0	0	0	0	0	0	0
Hardware Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0
Hardware Maintenance	(EE)	0	0	0	0	0	0	0	0	0	0	0
Software Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0
Software Maintenance & Upgrade	(EE)	0	0	0	0	0	0	0	0	0	0	0
DP Goods/Services	(EL)	0	0	0	0	0	0	0	0	0	0	0
Goods/Services Not Listed	(E)	0	0	0	0	0	0	0	0	0	0	0
Travel	(G)	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0
Software Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0
Software Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0
Other (specify)	( )	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATIONS		0	0	0	0	0	0	0	0	0	0	0
TOTAL OUTFLOWS		0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE COSTS			0	0	0	0	0	0	0	0	0	

(1) Total Outflows the sum of Fiscal Total Operations and Total Development from Form 2.
(2) Total Outflows carried to Form 1

Form 4/ Current versus Proposed Method Operations Costs

Agency Agency Name

Project Title & Option

OPERATIONS COSTS	Obj. Codes	FY 1997 (a) Current	FY 1997 (b) Project	FY 1997 (c) = (b)-(a) Incremental Effect of Project (to summary)	FY 1998 (a) Current	FY 1998 (b) Project	FY 1998 (c) = (b)-(a) Incremental Effect of Project (to summary)	FY 1999 (a) Current	FY 1999 (b) Project	FY 1999 (c) = (b)-(a) Incremental Effect of Project (to summary)	FY 2000 (a) Current	FY 2000 (b) Project	FY 2000 (c) = (b)-(a) Incremental Effect of Project (to summary)	FY 2001 (a) Current	FY 2001 (b) Project	FY 2001 (c) = (b)-(a) Incremental Effect of Project (to summary)
Salaries and Wages	(A)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Benefits	(B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personal Service Contracts	(CA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Communications	(EB)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Maintenance	(EE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Maintenance & Upgrade	(EE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DP Goods/Services	(EL)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Goods/Services Not Listed	(E)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Travel	(G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (specify)	( )	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION COSTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FTEs				0			0			0			0			0

Form 4 (cont.)

OPERATIONS COSTS	Obj. Codes	FY 2002 (a) Current	FY 2002 (b) Project	FY 2002 (c) = (b)-(a) Incremental Effect of Project (to summary)	FY 2003 (a) Current	FY 2003 (b) Project	FY 2003 (c) = (b)-(a) Incremental Effect of Project (to summary)	FY 2004 (a) Current	FY 2004 (b) Project	FY 2004 (c) = (b)-(a) Incremental Effect of Project (to summary)	FY 2005 (a) Current	FY 2005 (b) Project	FY 2005 (c) = (b)-(a) Incremental Effect of Project (to summary)	FY 2006 (a) Current	FY 2006 (b) Project	FY 2006 (c) = (b)-(a) Incremental Effect of Project (to summary)
Salaries and Wages	(A)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Employee Benefits	(B)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Personal Service Contracts	(CA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Communications	(EB)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Maintenance	(EE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Rent/Lease	(ED)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Maintenance & Upgrade	(EE)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DIS Goods/Services	(EL)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Goods/Services Not Listed	(E)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Travel	(G)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Purchase Capitalized	(JC)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Purchase - Non. Cap	(KA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hardware Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Software Lease/Purchase	(P)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (specify)	( )	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL OPERATION COSTS		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FTEs				0			0			0			0			0

(1) FY__ Column (c) for each Cost Code carried to Form 3

Form 5/ Benefits Cash Flow Analysis Agency Agency Name Project Title & Option

TANGIBLE BENEFITS	OFM Object Codes	BENEFITS FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	TOTAL
Hard $												
Revenues (specify)	(revenue codes)	0	0	0	0	0	0					0
												0
												0
												0
												0
Reimbursements (specify)	(object codes)	0	0	0	0	0	0					0
												0
												0
												0
												0
Cost Reduction (specify) (1)	(object codes)	0	0	0	0	0	0					0
												0
												0
												0
												0
Other (specify)	(object codes)	0	0	0	0	0	0					0
												0
												0
												0
												0
Soft $												
Cost Avoidance (specify)	(object codes)	0	0	0	0	0	0					0
												0
												0
												0
												0
Other (specify)	(object codes)	0	0	0	0	0	0					0
												0
												0
												0
TOTAL INFLOWS		0	0	0	0	0	0	0	0	0	0	0
CUMULATIVE BENEFITS			0	0	0	0	0	0	0	0	0	

(1) Reflect all Cost Reduction Benefits except Operations reductions (which are reflected in Cost of Operations).
(2) Total Inflows carries to Form1